



**NORTH MARIN
WATER DISTRICT**

999 Rush Creek Place
P.O. Box 146
Novato, CA 94948

PHONE

415.897.4133

FAX

415.892.8043

EMAIL

info@nmwd.com

WEB

www.nmwd.com

September 16, 2011

Miles Ferris, Director of Utilities
City of Santa Rosa

Darin Jenkins, City Engineer
City of Rohnert Park

Damien O'Bid, City Engineer
City of Cotati

Milenka Bates, Director of Public Works
City of Sonoma

Paul Helliker, General Manager
Marin Municipal Water District

Subject: SCWA L/R/T2 Program Funding for FY 2012/13

Your City/Water District has not yet received its full allocation under the original SCWA Local Supply / Recycled Water/ Tier 2 Water Conservation Funding Program (L/R/T2) (Attachment 1) and the TAC will consider recommending L/R/T2 funding to be included in the Sonoma County Water Agency budget for next fiscal year (FY 2012/13). Section 4.15 of the Restructured Agreement (RA) provides for the collection of a Recycled Water and Local Supply Sub-Charge to carry out provisions of Section 2.6 of the RA. Guidelines and project evaluation criteria for the L/R/T2 Program (Attachment 2), were established for the original L/R/T2 program authorized pursuant to the 2001 Impairment MOU.

If you have an L/R/T2 eligible project, Please submit project proposals to the Technical Advisory Committee (TAC) chair by Monday, November 23, 2011. The L/R/T2 Sub-Committee will meet to develop a recommendation for consideration by the full WAC at the February meeting.

Sincerely,


Chris DeGabriele
General Manager

Enclosure

Cc: Krishna Kumar, Valley of the Moon Water District
Remlah Scherzinger, City of Petaluma
Richard Burt, Town of Windsor

CD/rr

T:\GM\SCWA\LRT2 Subcommittee\Ferris et al ltr 0911 re funding.doc

DIRECTORS: JACK BAKER • RICK FRAITES • STEPHEN PETTERLE • DENNIS RODONI • JOHN C. SCHOONOVER

OFFICERS: CHRIS DeGABRIELE, General Manager • RENEE ROBERTS, Secretary • DAVID L. BENTLEY, Auditor-Controller • DREW McINTYRE, Chief Engineer

SONOMA COUNTY WATER AGENCY

**LOCAL SUPPLY / RECYCLED WATER / TIER 2
WATER CONSERVATION FUNDING PROGRAM 10-YEAR ALLOCATION**

	<i>Allocation</i>	<i>Expended</i>	<i>Balance</i>
1 Santa Rosa	5,065,236	3,908,003	1,157,233
2 Petaluma	2,197,913	2,197,913	--
3 Marin Municipal	1,724,026	1,000,000	723,926
4 North Marin	1,846,726	1,846,726	--
5 Rohnert Park	649,629	--	649,629
6 VOM	627,875	627,875	--
7 Sonoma	539,411	264,295	275,116
8 Windsor	86,996	86,996	--
9 Cotati	157,235	--	157,235
10 Forestville	104,953	104,953	--
Total	13,000,000	10,036,861	2,963,139

9/6/11

T:\GMISC\WAILRT2 Subcommittee\Guidelines and Project Eva Criteria\guidelines table edited 2011.docx

GUIDELINES AND PROJECT EVALUATION CRITERIA

SCWA LOCAL SUPPLY/RECYCLED WATER/TIER 2 WATER CONSERVATION FUNDING PROGRAM

The Memorandum of Understanding Regarding Water Transmission System Capacity Allocation During Temporary Impairment (Impairment MOU) establishes that the phrase "Cost effective water conservation measures that reduce water demands on the transmission system" as used in Section 2.5 of the Tenth Amended Agreement includes cost effective water conservation measures, recycled water projects that offset potable water use and standby local peak month production capacity projects that reduce peak demand on a transmission system (L/R/T2 measures). Sonoma County Water Agency (SCWA) plans to budget and distribute funds to the Water Contractors, Windsor and Marin Municipal Water District for implementing L/R/T2 measures. By November 1 of each year the parties to the Impairment MOU further agree that the Water Advisory Committee shall approve and report to the SCWA which projects are to receive funding support in the subsequent fiscal year's budget. Said approval will not include the first \$15 million for water conservation measures or the \$1.3 million in FY 00/01 SCWA budget for recycled water projects which has already been approved by the Water Advisory Committee in the Agency's FY 00-01 Water Transmission System Budget. The Water Advisory Committee has appointed a subcommittee to review the L/R/T2 measures and make recommendations to the Agency.

GUIDELINES

1. Water Advisory Committee supports the inclusion of \$13 million dollars over ten years up to \$2.0 million per year in the Sonoma County Water Agency's Water Transmission System budget for the L/R/T2 program.
2. Revenue requirements are to be met through a surcharge to the Water Transmission System Operations and Maintenance (O&M) rate.
3. Each party signatory to the Impairment MOU, excluding SCWA, shall be eligible and allocated a share of the L/R/T2 funding proportional to their average annual water delivery for three years (FY 98/99 through FY 00/01) divided by the SCWA deliveries to eligible parties over the same period (see Table 1). Eligible parties are eligible to receive the sum of their allocated shares over the life of the L/R/T2 program.
4. Eligible parties shall submit proposals for L/R/T2 projects to the Chairman of the Water Advisory Committee by September 30 of each year (for FY 01-02 contractors shall submit proposals to the Chair of the Water Advisory Committee by March 1, 2001). Project duration and funding eligibility may extend over more than one year.
5. By November 1 of each year the L/R/T2 subcommittee shall recommend projects to be approved by the Water Advisory Committee at a regular meeting for funding in the subsequent fiscal year's budget. Funding shall be made through distribution from the Water Transmission System O&M fund unless another funding source becomes available due to execution of a new water supply agreement subsequent to Eleventh Amended Agreement for Water Supply.
6. SCWA will account for each eligible party's share separately. Project payments by SCWA will be made only for design, construction, and/or implementation. Payment by

SCWA to each eligible party will be made upon receipt of itemized invoices for work completed on approved projects. Invoices shall be submitted on a quarterly basis.

7. The L/R/T2 Subcommittee shall use the below listed criteria for evaluation of project measures.

PROJECT EVALUATION CRITERIA:

1. L/R/T2 measures must result in sustained demand reduction in the months June through September. Recommendations for funding of projects will be based on the most cost-effective projects being recommended for funding first. Cost effectiveness as determined by the WAC will be evaluated on a dollar per MGD basis.
2. Projects must be sustainable. Projects to implement a short-term demand curtailment will not be considered. For local well supply, the sustained capacity is defined as 67% of the measured yield during a long-term steady state pumping test. Water conservation programs are those beyond the current California Urban Water Conservation Council Best Management Practices (BMP's) or those programs listed in the May 1998 SCWA Draft Water Conservation Plan.

EXAMPLES OF ELIGIBLE L/R/T2 PROJECTS AND MEASURES

Recycled Water Projects

- New Treatment Plant Construction
- Existing Treatment Plant Capacity Upgrades
- Distribution Facilities (Pump Stations, Pipelines, Storage and all appurtenances)

Local Supply Projects

- New Treatment Plant Construction
- Existing Treatment plant Capacity Upgrades
- Aquifer Storage and Recovery Projects
- Backfeed Surface Storage for June-Sept Water Supply Production
- New Well Construction Potable Supply and Non Potable which offsets potable demand
- Rehabilitation of Existing Potable Well Supply

Tier 2 Water conservation Measures

- Water Conserving Appliance Incentives
- Irrigation Advisory Service